

*Senator Harry Reid*  
**Statement on Final Passage of the**  
**Medicare Conference Report**  
*November 23, 2003*

As most of you know, I grew up in Searchlight, Nevada. It's a mining town, and my dad was a miner. There's gold in Searchlight. But there also is a mineral called iron pyrite, which looks a lot like gold to the untrained eye. It glitters like gold ... but it has no value.

**We call it fool's gold ... and where I come from, you learn to tell the difference between fool's gold and the real thing.**

**Mr. President, a bill that improved and strengthened Medicare, and added a prescription drug benefit, would be the best thing this Congress could do. It would be as good as gold for our nation's seniors.**

**But this bill is fool's gold. It might look good at first glance. But when you really hold it up to the light and examine it, you see that it's not what it appears to be.**

Some say our seniors can't afford to wait for a "perfect" bill. Our seniors need a prescription drug benefit now. And I agree.

This summer, I voted to pass a bipartisan prescription drug bill in the Senate. This bill wasn't perfect, but it was a step in the right direction. It would have given our seniors - especially those who need help the most - some relief from the soaring cost of prescription drugs. So I supported the Senate bill, and vowed to work to improve the prescription drug benefit until our seniors had the coverage they need.

But I can't support something that would be a step backward for millions of our senior citizens and tens of thousands in Nevada.

The bill we have before us now is not merely imperfect. It is bad - bad for the senior citizens of Nevada, and bad for the country. It's bad because it will leave millions of seniors worse off than they are today. And it's bad because it will gnaw away at the foundations of Medicare, a program that our senior citizens and disabled Americans have trusted for almost forty years.

**My position on health care is simple. I want to make better health care available to every American by cutting costs, improving quality and expanding access. This bill does none of those things. It is fool's gold.**

In Nevada, about 20,000 low-income senior citizens qualify for both Medicare and Medicaid. Under this legislation, these citizens would have to pay more out-of-pocket for drug costs than they currently do under Medicaid. And because the bill contains an unfair and confusing assets test, many low-income seniors would be denied assistance with out-

of-pocket costs simply because they own modest assets - a burial plot, a car, maybe a few pieces of heirloom furniture.

**Mr. President, A Medicare prescription drug plan that makes our poorest seniors pay more for their prescription drugs than they do now is not a Medicare prescription drug plan. It's fool's gold.**

Seniors who are eligible for Medicaid are not the only big losers in this bill.

Wealthier seniors will pay higher Medicare premiums, even though they already pay a far greater share of Medicare's costs through payroll and income tax.

Millions of retirees who currently enjoy good prescription drug coverage through their former employers would lose that coverage because of this bill.

In Nevada, tens of thousands of seniors stand to lose their current retiree drug benefits.

The bill leaves uncertain the fate of state programs that help seniors with the cost of prescription drugs - like the Nevada Senior Rx program, that helps single seniors with incomes below \$22,016 and married seniors with incomes below \$28,660.

Surely this isn't what our senior citizens had in mind when they asked Congress to pass a Medicare prescription drug benefit.

And they certainly didn't ask to be used as guinea pigs in an ideological experiment that would force them to give up their doctor and join an HMO, or pay higher premiums to remain in traditional Medicare. The Medicare conference report creates so-called "demonstration projects" in up to six metropolitan areas. Two of these demonstration projects could wind up in my state.

Seniors in these areas would have to choose between keeping their current doctor and paying higher premiums, or joining a private plan. Those who opt for the private plans would have to use a doctor approved by the insurance company. Over time, the seniors who remained in traditional fee-for-service Medicare would likely be the oldest, sickest and poorest. They would have to pay ever-increasing premiums to maintain their coverage.

This bill would make a wide-range of seniors worse off than they are today - from seniors who are eligible for Medicaid, seniors who have coverage through former employers, seniors enrolled in state pharmacy programs, to seniors who will be forced to pay higher premiums to stay in traditional Medicare. That's not the type of prescription drug coverage our seniors deserve - that's fool's gold.

Many of my colleagues support this bill because they like the concept of competition.

I like competition, too. I'm all in favor of competition on a level playing field. But this bill doesn't provide for **fair** competition.

It rigs the rules in favor of private insurance companies by paying them more to serve a patient than Medicare will receive. And it siphons off \$12 billion of the taxpayers' money - money that should be used to help our seniors - into a slush fund for private insurance companies.

This bill also does nothing to encourage competition in the form of lower drug prices. In fact, it bans the re-importation of drugs from Canada - a concept that both the House and the Senate supported.

The bill even says that when Medicare becomes the largest purchaser of prescription drugs, it is expressly forbidden to negotiate prices with the drug companies! If we really believed in the free market, we would encourage that kind of bargaining, not ban it.

Mr. President, it's no wonder the big insurance companies and the big drug companies are spending millions of dollars on lobbyists and ads to support this bill. It tilts the playing field in their favor ... at the expense of senior citizens. That's not competition, it's corporate welfare.

**This bill is not what it claims to be and seniors are smart enough to see this bill for what it really is – fool's gold.**

I'd like to read a few of the comments I have received from senior citizens in Nevada.

Mrs. Betty Sweet of Las Vegas wrote, **"Don't sell the seniors out to big business HMOs. The HMO plan will be a step down in our care."**

And Martha Pruter of Reno wrote, **"This plan is only going to benefit the pharmaceutical companies. It will not benefit the consumers."**

And Mary Ann Brim of Henderson, Nevada said, **"I oppose the Medicare bill. Has anyone done the math? I can't believe they would support this bill if they had. Certainly you can come up with something better than this."**

Mrs. Brim did her homework. The actual drug benefit created by this bill is confusing, and offers seniors only a meager drug benefit. Someone who spends approximately \$5,000 a year on drugs will still be stuck with almost 80 percent of the bill.

**That's a poor trade for all the harm this bill does to seniors, and to Medicare itself.**

The Medicare conference agreement would make fundamental changes to Medicare as we know it ... changes that have nothing to do with a prescription drug benefit, or even with building a stronger foundation for the program. It would use our senior citizens as guinea

pigs to test the theories of Newt Gingrich and other ideologues who have never been friends of Medicare.

**We promised our senior citizens we would make Medicare stronger by creating a prescription drug benefit.**

**That promise should be as good as gold.**

**But this bill is fool's gold.**